husband, taking his note for the amount, and on his bankruptcy she presented the note as a claim against his estate. Contractual relations between husband and wife were not recognized by the law of the State of their domicile but a wife's separate estate was provided for by statute, and under the decisions in that State she could have maintained a claim in equity against her husband. *Held,* the wife's claim can now be maintained in bankruptcy, as the bankruptcy court is a court of equity as well as of law. *In re Hill* (1911), 190 Fed. 390.

The seemingly conflicting decisions on this point divide themselves into but two distinct classes, and turn on but a single point; that is, whether a court of bankruptcy will be bound strictly by the law as laid down by the State courts, or will follow the general Federal rule, in its determination of the question. On the one side, in the early case of *In re Blandin,* 1 Low. 543, it was decided that since by State law a wife could maintain an equitable claim against her husband's estate, that claim was provable in bankruptcy; Cited with approval in *Fleitas* v. *Richardson,* 147 U. S. 550 at 555, 13 Sup. Ct. 495; overruled in *Re Talbot,* 110 Fed. 924, on the ground that the State law had been misconceived, but distinctly stating the rule of bankruptcy to be that bankruptcy courts would be governed by the State rule in regard to the validity and provability of an equitable claim of a wife against her husband or his estate. *In re Novak,* 101 Fed. 800; *In re Neiman,* 109 Fed. 113; *In re Domenig,* 128 Fed. 146; *In re Foss,* 147 Fed. 790; *In re Kyte,* 164 Fed. 302. On the other side, the rule is fully stated in *James* v. *Gray* 131 Fed. 401, 1 L. R. A. (N. S.) 321: "While the Federal courts are required by the statutes creating them to accept as rules of decision in trials at common law the laws of the several States, excepting where the Constitution, treaties, and Statutes of the United States otherwise provide, their proceedings in equity suits, involving equitable rights, cannot be impaired by the local rules of the dif ferent States in which they sit. The principles of equity as applied by them are the same everywhere in the United States." But this broad statement of the rule has been limited to apply only to debts based on a valuable consideration. *In re Tucker,* 148 Fed. 928. Reason and the texts sustain the former view; COLLIER, BANKRUPTCY, Ed. 8, p. 704, and 1 REMINGTON, BANKRUPTCY, § 798, p. 466; but the question will not be conclusively determined until passed upon by the Supreme Court.

BANKRUPTCY—TITLE OF TRUSTEE AS AGAINST UNRECORDED CONTRACT OF CONDITIONAL SALE—EFFECT OF AMENDMENT OF 1910.—Petitioners had sold a sprinkling system to the bankrupt, under a contract of conditional sale, but the contract had not been recorded as required by the State statute. After adjudication, petitioners sought to enforce a lien on the sprinkling system under their contract, but the referee decided that their claim was invalid. On application to review the referee's decision, it was *Held,* that, though prior to the amendment of July 25, 1910, c. 412, § 8, 36 STAT. 840, to the Bankruptcy Act of 1898, § 47, subd. a, cl. 2, 30 STAT. 557, an unrecorded conditional sale contract would be valid against the trustee in bankruptcy, by this amendment, where under State law a conditional sale contract was invalid as against lien

creditors unless recorded, an unrecorded conditional sale contract was invalid also as against the trustee in bankruptcy or purchasers claiming through him. *In re Williamsburg Knitting Mill* (1911), 190 Fed. 871.

For a discussion of the principles and authorities involved in this decision and of the approved construction of the amendment referred to, see 7 MICH. L. REV., 474; 10 MICH. L. REV., 131.

BANKS AND BANKING—ENTRY OF DEPOSIT FOR COLLECTION—INSOLVENCY OF BANK'S AGENT.—Plaintiff deposited to his account in defendant bank a check drawn upon a bank in another State, indorsing it to the order of defendant bank; it was entered on a deposit slip on which was the printed statement, "All items credited subject to final payment," and was sent by the defendant bank to its correspondent bank for collection. That bank collected the check, but did not pay the money to defendant bank, and became insolvent. Defendant bank thereupon charged the amount back to the account of plaintiff, who brought this action to recover the amount of the check. There was no evidence as to any want of diligence or due care in the selection of the correspondent bank. *Held*, that plaintiff was not entitled to recover. *Falls City Woolen Mills* v. *Louisville Nat. Banking Co.* (Ky. 1911) 140 S. W. 66.

It is clear that if the defendant bank had been negligent in selecting the correspondent bank, it would have been liable, 1 DANIEL, NEG. INST., Ed. 5, 336. But the question whether the bank is liable under the facts of the principal case is one on which the decisions of the courts are utterly irreconcilable. The decisions that are in accord with the case under consideration are based upon the reason that in such case the customer, knowing that the check cannot be collected by the ordinary officers of the bank, but that this service must be performed by a sub-agent at the place where the check is payable, impliedly authorizes the selection of such sub-agent, and thereby assumes the risk of failure of duty on the part of the latter; and that the benefit which may accrue to the bank is not a sufficient consideration from which to imply an undertaking on the part of the bank to assume that risk itself. *Dorchester & Milton B.* v. *New England Bk.*, 1 Cush. 177; *Jackson* v. *Bk.*, 6 Har. & J. 146; *Fabens* v. *Mercantile Bk.*, 23 Pick. 330; *Lawrence* v. *Stonington Bank*, 6 Conn. 521; *Hyde et al.* v. *Planters, Bk.* 17 La. 560; *Baldwin* v. *Bank of La.*, 1 La. Ann. 13; *Bowling* v. *Arthur*, 34 Miss. 41; *Citizens' Bank* v. *Howell*, 8 Md. 530; *Stacy* v. *Bank*, 12 Wis. 702; *Aetna Ins. Co.* v. *Bank*, 25 Ill. 221; *East-Haddam Bank* v. *Scovil*, 12 Conn. 303; *Daly* v. *Bank*, 56 Mo. 94; *Guelich* v. *Bank*, 56 Iowa 434; *Third Nat. Bank* v. *Vicksburg Bank*, 61 Miss. 112; *Firts Nat. Bank* v. *Sprague*, 34 Neb. 318, 51 N. W. 846; *Bank of Big Cabin* v. *English* (Okl.), 11 Pac. 386; *Winchester Milling Co.* v. *Bank of Winchester*, 120 Tenn. 225, 111 S. W. 248. In *Winchester Milling Co.* v. *Bank, supra*, it is said that each successive bank handling an item for collection is agent of the owner and liable to him for the discharge of duties incumbent upon collecting agents, and the several banks in the chain of transmission are held responsible only for the selection of proper agents and for their own diligence and propriety of action in respect to the collection. The main reason of the doctrine holding the bank first receiving the paper liable